


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2002-42-E - ORDER NO. 2002-341

APRIL 26, 2002

IN RE: Application of South Carolina Electric & Gas Company for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the Construction of the 230 KV Fold-In Transmission Line and Switching Station at the Columbia Energy Center in Calhoun and Richland Counties.)	ORDER GRANTING CERTIFICATE
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of South Carolina Electric & Gas Company (SCE&G or the Company) for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the construction of two new 230 kV overhead transmission lines and a switching station to interconnect the new Columbia Energy Center Generating Project to the SCE&G transmission system. Because of the reasoning stated below, we grant the Application.

Prior to submission of its Application, SCE&G published notice of its intent to apply for a Certificate under S.C. Code Ann. Sections 58-33-10 et seq. (1976 and Supp. 2001)(the Siting Act), as the provisions of Section 58-33-120(3) require. In addition, the Application included certification that SCE&G had served a copy of the Application on those governmental officials and such other persons as Section 58-33-120(2) of the Siting Act requires.

Upon receipt of the Application, the Commission's Executive Director required the Company to publish a prepared Notice of Filing and Hearing which described the nature of the Application and advised all interested parties of the manner in which they might intervene or otherwise participate in this proceeding. The Company submitted an affidavit which demonstrated compliance with the Executive Director's instructions. A Petition to Intervene was received from the Consumer Advocate for the State of South Carolina (the Consumer Advocate). Statutory parties in siting matters include the South Carolina Department of Health and Environmental Control (DHEC), the Department of Natural Resources, and the Department of Parks, Recreation and Tourism, as per the S.C. Code Ann. Section 58-33-140 (Supp. 2001). None of the statutory parties participated in the case at bar.

A hearing was held on April 16, 2002 at 2:30 PM in the offices of the Commission, with the Honorable William Saunders, Chairman, presiding. SCE&G was represented by B. Craig Collins, Esq. The Company presented the testimony of Hubert C. Young, III. The Consumer Advocate was represented by Charles M. Knight, Esquire. The Consumer Advocate presented no witnesses. The Commission Staff was represented by F. David Butler, General Counsel. The Commission Staff presented no witnesses.

In addition to the testimony of Company witness Young, and the presentation of exhibits, the record of this proceeding includes the Company's Application, the various notices, and pleadings. Upon full review of the evidence in this proceeding, the Commission herein grants the relief which the Company seeks.

The testimony of Company witness Young is significant. Young stated that the purpose of his testimony was to discuss the transmission facilities required to interconnect the Columbia Energy Center Generating Project to the SCE&G transmission system. Young notes that this requires the construction of two new 230 kV overhead transmission lines. Both of these lines will originate at the SCE&G Edenwood to Wateree 230kV transmission line and terminate at a newly constructed switching station adjacent to the Columbia Energy Center substation located on the Eastman Chemical Company's property near Columbia. The switching station will contain two 230 kV line terminals.

Young further stated that these facilities are requested by Calpine Energy to connect their generation project, located on the Eastman property, to the SCE&G transmission system. SCE&G planning engineers evaluated several options to interconnect the generation project. All of these alternatives were associated with several different generating plant configurations, all of which resulted in similar transmission requirements.

In addition, a study was conducted by General Engineering of environmental and archaeological effects of the transmission lines. The conclusion of the study was that the proposed transmission lines will not result in any significant environmental impacts on jurisdictional wetlands, designated floodplains, State or Federal listed threatened and endangered (T & E) species, archeological or historical sites.

The total cost of transmission associated with the Columbia Energy Center project (including the 115 kV construction) is approximately \$8.4 million. The 230 kV portion of

this cost is approximately \$5 million. All costs will be borne by Calpine. The expected in-service date of these transmission facilities is in 2003.

S.C. Code Ann. Section 58-33-160 (1976) sets out the requirements that must be met before we can grant the requisite certificate of environmental compatibility and public convenience and necessity for the project. The first requirement that must be examined is the basis of the need for the facility. Clearly, the facilities described are needed to connect the Columbia Energy Center project to the SCE&G transmission system. So the first element is satisfied.

Second, this Commission must examine the nature of the probable environmental impact. The study presented and the testimony of Company witness Young show that the proposed transmission lines will not result in any significant environmental impacts on jurisdictional wetlands, designated floodplains, State or Federal listed threatened and endangered (T & E) species, archeological or historical site. Thus, the second point of the statute is met.

Third, this Commission must determine that the impact of the facility upon the environment is justified, considering the state of available technology and the nature and economics of the various alternatives and other pertinent considerations. Given the conclusion of the environmental study that the facilities will have no significant environmental impacts, we hold that the impact of the facility upon the environment is justified.

Fourth, in order to grant a Certificate in this instance, we must find that the facilities will serve the interests of system economy and reliability. Clearly, we believe

that this criterion is met in the case at bar. The facilities involved in this case are necessary to connect the Columbia Energy Center project to the SCE&G transmission system. Without the facilities, no reliable transmission of electricity produced by the Columbia Energy Center could be accomplished. We believe that these facilities establish system economy and reliability in the present case.

Fifth, we must determine that there is reasonable assurance that the proposed facility will conform to applicable State and local laws and regulations issued thereunder. We have seen no evidence to the contrary in this case, therefore, we hold that the fifth criterion is satisfied.

Sixth and last, we must find that the public convenience and necessity require the construction of the facility. Indeed, we agree that this is the case. Without construction of the proposed facilities, we have found that the electricity produced by the Columbia Energy Center may not reliably enter the grid. Accordingly, if such electricity is to be used by the public at large, facilities are necessary to interconnect the Columbia Energy Center with the SCE&G transmission system. Therefore, we believe that the public convenience and necessity criterion is met in this case.

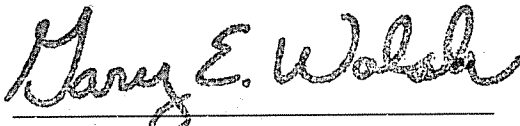
Accordingly, having met all of the criteria of S.C. Code Ann. Section 58-33-160 (1976), we hereby grant a Certificate of Environmental Compatibility and Public Convenience and Necessity to the Company for construction and operation of the proposed facilities. However, if construction of the facilities is not commenced within two years of the date of this Order, the Certificate is subject to renewal or extension.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)